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FOREIGN AGRICULTURE CIRCULAR

U. S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



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FEB 27 1964

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SUGAR
FS 5-63
November 1963

1963-64 WORLD SUGAR CROP

SECOND HIGHEST OF RECORD

The 1963-64 world production of centrifugal sugar is estimated at 58.7 million short tons. This is the second largest crop of record, being exceeded only by the 60.1 million tons in 1960-61. It is 3.7 million tons above 1962-63, which on the basis of final production figures has been revised upward by nearly a half million tons. These estimates include revisions from earlier reports and from estimates of production for some minor producers not previously reporting.

Estimated output in the Free World is up 3.8 million tons from last year. Production in the Sino-Soviet Bloc, including Cuba, is down 0.1 million tons from 1962-63, despite increases in Eastern Europe and Mainland China. The decline from earlier season expectations for the Bloc, as a whole, reflects the effects of a drought in the USSR and hurricane damage in Cuba. Had it not been for this adverse weather, the current world crop could well have set a new record.

The indicated increase in world production this year reflects the early reaction to the incentives provided by high prices to fertilize more extensively, harvest more cane (and beets for sugar) than usual, process more carefully, and in general to obtain maximum output from beet and cane acreage. Further increases in production in 1964-65 appear certain, as a number of key countries have already initiated programs to produce more sugar.

This circular contains more detailed information than the summary of similar title to be published in the World Agricultural Production and Trade Statistical Report of November 1963.

Current estimates indicate that world production of cane and beet sugar is continuing at about the former ratio. The percentages for 1963-64 are 41.4 percent for beets and 58.6 percent for cane. Production of beet sugar in 1963-64 is increasing to 24.3 million tons, and that of cane sugar to 34.4 million tons.

Output in North America is up 0.9 million tons over 1962-63. The United States is harvesting record crops, and increases are indicated as well in Mexico and Central America. In the Caribbean, excluding Cuba, production is near last year's level. The Cuban crop is down.

In South America, the 1963-64 production is about 300,000 tons above 1962-63, despite a slight reduction in Brazil, the largest producer. Argentina reports a bumper crop.

An increase of about 825,000 tons is reported from Western Europe. Acreage was increased 3 to 5 percent and good weather during most of the summer offset bad weather during plantings and immediately afterwards. Bumper crops are being harvested in West Germany and France, but the outturns in Spain and Italy are low.

Despite some drought damage which earlier had been reported as serious, the crop in Eastern Europe is a quarter million tons above last year. Aggregate acreage in the group of countries was up 5 percent over 1962-63.

The USSR crop is down 300,000 tons from 1962-63 because of drought. Acreage, however, was higher.

African production is increasing about 450,000 tons this season. Output is higher in general throughout Africa, particularly in the Republic of South Africa and the Island of Mauritius.

Total production in Asia is about 1.3 million tons over 1962-63. India accounts for over 800,000 tons of this (USDA estimates for India include Khandsari). The Philippine crop is up about 175,000 tons and production in the Ryukyu Islands, included in the "other" category, has increased to about 150,000 tons.

In Oceania, Australian production has been increasing rapidly the past several years. Production also is increasing in Fiji.

Production of noncentrifugal sugar in 1963-64 is expected to approximate the 6.8 million ton level of the past 2 seasons. This sugar is produced in a number of tropical countries for local consumption. There has been a tendency in several countries to divert sugarcane from centrifugal to noncentrifugal sugar when prices for the former are held at low levels and noncentrifugal prices become higher.

Notes on Selected Countries

North America

Mexico. Sugar production in Mexico has steadily increased from a 1955-59 average of 1.4 million tons to 2.0 million in 1963-64. Plans are being developed for

substantial further increase to 1970. These plans include the construction of additional mills, expansion of the capacity of existing ones, and the use of larger areas for sugarcane production.

United States. The 1963-64 crop is an alltime record. Present estimates of 6.5 million tons, including Continental areas, Hawaii, Puerto Rico, and the Virgin Islands, compare with 5.6 million, the previous record, in 1962-63. Beet sugar production is up 20 percent and Mainland cane, 40 percent, from last year. The 1963 results were caused by good growing weather, high yields, and the removal earlier this year of all acreage restrictions on domestic growers for this and next year, when it became clear that world supplies would be tight.

In the Caribbean Area, except Cuba, total indicated 1963-64 production is approximately unchanged from 1962-63.

Dominican Republic. The 1962-63 estimate has been further lowered to 850,000 tons, well below output of the two preceding seasons and somewhat below the 1955-59 average. The 1962-63 crop was reduced by labor difficulties and cane fires. A considerable amount of cane did not reach mills at the time of optimum yields. For 1963-64 an increase of about 70,000 tons is likely. Potential output in the Dominican Republic is far above current levels.

Cuba. Prospects in Cuba are difficult to assess. Prior to Hurricane Flora, which hit the important producing areas of Camaguey and Oriente Provinces in October, an 8 to 10 percent increase (about 400,000 tons) over 1962-63 appeared likely. This expected increase was based on the plantings last year (first significant ones in several years) and all-out efforts to use labor and machinery more effectively. Also, weather before the hurricane was favorable. The crop is now estimated at 4.0 million tons, 200,000 tons below last year, because of the hurricane damage. A crop of this size would be only about half the size of the 1960-61 crop.

Central America. Production is up 13 percent for this group of countries. Although the quantities involved are rather small the rate of increase is significant and further substantial increases are expected beyond 1963-64.

South America

Argentina. The 1963-64 production, 1.1 million tons, is up significantly, mostly because of unusually favorable weather. The province of Tucuman accounts for about two-thirds of Argentina's crop, with Jujuy and Salta Provinces ranking second and third. Some further increase in acreage and improved milling facilities should both contribute to larger future crops.

Brazil. The 1963-64 crop, 3.5 million tons, is somewhat below 1962-63, reflecting the effects of prolonged drought in the State of Sao Paulo. The Government of Brazil took steps this year to increase sugar production. These included increasing the amounts which mills were permitted to process and increasing minimum prices. Had it not been for the unusual drought in Sao Paulo, the 1963-64 crop would have been several hundred thousand tons above 1962-63. Plans are underway to increase Brazilian production in future years.

Chile. Beet sugar production, although still rather low, is increasing at a rapid rate; it is more than double the 1955-59 average. Chile is the only country in South America which produces beets (other than small quantities in Uruguay). The 1963-64 acreage was increased 17 percent. Chile still imports a large part of its sugar requirement.

Colombia. The 1963-64 crop is below early-season expectations, which were based on an increase in acreage, higher yields, and more efficient milling. However, the price of panela (unrefined brown sugar) became higher than centrifugal sugar and large quantities of cane were diverted from centrifugal to panela. Also, heavy rains interrupted harvest operations. The acreage planted to cane in the Cauca Valley (the principal sugar-producing region) is expected to increase substantially under a program announced for the development of Colombia's sugar industry. It is quite likely that less cane will be diverted to panela in 1964-65.

Ecuador. Production is increasing in Ecuador, although the 1963-64 crop of 145,000 tons is slightly below the large 1962-63 outturn. The addition of two new sugar mills will increase processing capacity by 155,000 short tons in two to three years.

Peru. The outlook is for a slight increase in production in 1963-64. Expansion is limited, however, by the supply of irrigation water and mill capacities. No programs or policies have been instituted by the government specifically to influence sugar production. While the government issues export authorizations, collects taxes on sugar, and sets the retail price for domestic consumption, individual growers make their own production and marketing plans.

Venezuela. Production is steadily increasing with the 1963-64 crop estimated at 322,000 tons. Increases are expected to continue through increased acreage and improved production and milling methods. Modernization of milling equipment is in prospect.

West Europe

Belgium. Production is slightly above 1962-63, despite a smaller acreage. Shortage of labor and high cost of production caused the decline in this year's acreage. Good weather is resulting in higher yields than those earlier expected. Acreage may decline further in 1964 because of difficulties in obtaining labor for harvesting, although the government's action in increasing the price for sugar beets may partially offset this difficulty.

Denmark. Production increased significantly this year as acreage increased by about 60 percent and yields were favorable. Sugar output is expected to slightly exceed domestic requirements this year. It should be noted that beets produced in Denmark, but exported to other countries for processing, are now included in production statistics for Denmark.

France. A substantial increase in sugar production is occurring. Acreage increased 7 percent. This year's expected crop of 2.1 million tons exceeds the maximum quantity on which government price supports apply by some 100,000 tons; this creates no difficulty in view of the conditions currently prevailing in international markets. Some further increase in sugar beet plantings may occur next year. The French Government thus far is weighing carefully the pros and cons of future expansion programs, because of difficulties experienced in recent years in disposing of burdensome sugar surpluses. The harvest of this year's crop began somewhat later than usual. Prolonged wet and cold weather last spring delayed plantings, but favorable moisture conditions later in the season accounted for good growth.

West Germany. The 1963-64 crop of 2.1 million tons is only slightly below the record 1960-61 outturn. This increase reflects a combination of increased acreage and above-average yields. The current crop, about one-third above last year, will almost equal consumption requirements for the 1963-64 season. A moderate further increase beyond 1963-64 looks reasonable at this time.

Italy. Production of sugar beets is only slightly below last year but the sugar outturn of about 950,000 tons is far below 1962-63. The low sucrose content of the beets is the result of excessive rains this year. Sugar beet acreage has declined since 1959 because of high production costs and labor shortages. Over a longer period, mechanization and other labor-saving and profit-yielding practices could lead to some expansion in acreage. But no significant increase in acreage appears likely over the short run. Sugar mill capacity is not a limiting factor, as only about two-thirds of present capacity is being utilized.

Netherlands. The reduced 1963-64 crop reflects a decline of 10 percent in planted acreage, primarily because of a tightening labor situation and the attraction of other crops. Although the labor situation may continue to be a limiting factor in future acreage increases, some such increase in 1964-65 appears likely.

Spain. Production continues its downward trend, resulting in substantial imports to meet domestic needs. This year's smaller crop reflects reduced acreage and only fair weather. Labor problems and attraction of competing crops are resulting in declining production in Spain. Plans are being considered to increase production for 1964-65.

United Kingdom. An 8 percent increase in production is estimated, despite no increase in acreage and only fair weather conditions. The severe weather a year ago resulted in a large quantity of beets remaining unharvested. The British Sugar Corporation this year is urging growers to complete harvests as soon as possible. The United Kingdom imports about 75 percent of its sugar requirements.

East Europe

Czechoslovakia. The 1963-64 crop is well above 1962-63. Weather conditions were somewhat better than in 1962-63, although hot weather in July and August had some unfavorable effect.

Poland. The 1963-64 crop, of 1.4 million tons, is slightly below last year but considerably higher than that expected earlier in the season. This year's acreage is down 13 percent. After bad weather earlier in the season, weather became very favorable in August. Harvest was delayed until late September, in order to take advantage of the improved growing weather as long as possible. An increase in acreage is probable next year.

USSR. The 1963-64 crop is estimated at 6.3 million tons, 300,000 below the 1962-63 outturn, which was very low on a per-acre basis. The 1963-64 acreage was 5 percent above 1962-63. This year's reduced crop was caused by a prolonged drought which affected yields. Harvesting operations this year appear to be proceeding at a faster daily rate than usual.

Africa

Mauritius. Production for 1963-64 is estimated at 728,000 tons, up substantially from 1962-63. This reflects very good weather and a somewhat enlarged acreage. There are no large-scale plans for increasing the capacity of the industry at present, but some further increase in production beyond 1963-64 appears likely.

Republic of South Africa. The 1963-64 crop of 1.4 million tons, including an estimate of 110,000 tons for Swaziland, is a record. Milling capacity is being increased and further gains in production are expected. A Tripartite Agreement between the Republic of South Africa, Swaziland, and Rhodesia, which governed the exporting of sugar to Rhodesia, officially ends in 1964. But for practical purposes it has already terminated, as Rhodesia has become a net exporter of sugar.

Asia

India. Although the 1963-64 production target announced earlier in the season by the Indian Government may not be reached, a significant increase in production is occurring. The present estimate of 3.8 million tons, including Khandsari, is about 800,000 tons above 1962-63. The Government of India has taken a number of steps in recent months to increase sugar production. These include (1) a program of intensive cultivation of sugarcane in selected districts of Uttar Pradesh, Bihar and Punjab; (2) raising the minimum price of sugarcane to growers where mills encounter competition from gur and Khandsari manufacturers; (3) reserving areas for growers to supply a certain portion of their produce to the sugar factories; and (4) concessions in the central excise duty.

Indonesia. The production of sugar in Indonesia continued its downward trend through 1962-63 because of a further diversion of land to other crops and the lack of sufficient grower incentives. However, a slight increase in production is reported for 1963-64.

Philippines. Sugar production in the Philippines has steadily increased from the 5-year (1955-59) average of 1,356,000 tons to 2,028,000 in 1963-64. This increase was caused by expanding acreage and increasing mill capacity, by milling of more cane at peak sugar content, and by more intensified cultivation. A continued increase is expected.

Taiwan. The 1963-64 crop is slightly above 1962-63 but below the preceding season. A modest future increase is possible, but there is considerable competition for land by other crops, such as peanuts and sweet potatoes. Somewhat higher guaranteed prices are being offered in efforts to increase sugar production.

Turkey. Production is being increased in efforts to maintain self-sufficiency at increasing consumption rates. Present plans are to increase acreage enough to provide production needed to meet increasing per capita consumption. Turkey does not aim to become a world exporter even though it has exported during the past two years.

Oceania

Australia. Production increased a half million tons in 1962-63, remained near this level in 1963-64, and will likely further increase. A Committee of Inquiry into the Sugar Industry was appointed on June 13, 1963, to investigate the need for expanding the industry. On the basis of the Committee's report, plans are being considered to increase production to 2.8 million short tons by 1970. An expansion of existing milling facilities would probably absorb such an increase.

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/

Continent and country	Average 1955-56 through 1959-60	1961-62	1962-63	1963-64 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America (cane unless otherwise indicated):				
Canada (beet)	151	141	153	163
Mexico	1,380	1,647	1,870	2,000
United States				
Continental (beet)	2,088	2,404	2,598	3,100
Continental (cane)	572	858	853	1,200
Hawaii	1,013	1,120	1,120	1,100
Puerto Rico	1,036	1,009	990	1,100
Virgin Islands of the U.S.	11	11	11	16
British Honduras	12	29	31	38
Costa Rica	44	76	97	120
El Salvador	51	73	68	75
Guatemala	70	133	151	171
Honduras	17	26	30	37
Nicaragua	61	89	111	110
Panama	25	30	38	45
Cuba	5,883	5,308	4,211	4,000
Dominican Republic	883	939	850	920
Guadeloupe	146	209	185	175
Haiti	61	64	67	50
Jamaica	419	486	535	532
Martinique	83	98	102	75
West Indies				
Barbados	183	177	214	202
Leeward and Windward Islands 4/.....	94	78	76	76
Trinidad and Tobago	205	225	255	254
Total North America	14,488	15,230	14,616	15,559
South America (cane unless otherwise indicated):				
Argentina	906	754	858	1,097
Bolivia	11	55	54	72
Brazil	3,110	3,934	3,575	3,500
British Guiana	330	365	347	369
Chile (beet)	40	73	81	118
Colombia	297	380	439	432
Ecuador	93	137	149	145
Paraguay	30	34	38	43
Peru	800	857	881	903
Surinam	10	11	13	13
Uruguay (beet and cane)	27	51	57	53
Venezuela	205	271	296	322
Total South America	5,859	6,922	6,788	7,067
Europe (beet unless otherwise indicated):				
Austria	282	231	286	300
Belgium and Luxembourg	393	500	383	392
Denmark	353	243	250	425
Finland 5/.....	38	65	54	65
France	1,571	1,878	1,791	2,097
Germany, West	1,590	1,576	1,613	2,100
Greece 6/.....	0	3	29	40
Ireland	126	151	164	168
Italy	1,271	1,082	1,099	959
Netherlands	490	645	503	467
Portugal				
Azores and Madeira	13	20	20	20
Spain (cane and beet)	470	651	529	400
Sweden 5/.....	314	358	239	262
Switzerland	40	39	32	48
United Kingdom	818	990	835	905
Total West Europe	7,769	8,432	7,827	8,648
Albania 7/.....	12	14	14	12
Bulgaria 7/.....	137	220	215	200
Czechoslovakia 7/.....	860	1,242	1,020	1,187
Germany, East 7/.....	804	878	790	822
Hungary	332	417	428	444

- Continued

CENTRIFUGAL SUGAR (raw value) 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/--Continued

Continent and country	Average	1961-62	1962-63	1963-64 3/
	1955-56 through 1959-60			
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
Europe - continued				
Poland	1,152	1,808	1,465	1,400
Rumania	244	452	337	360
Yugoslavia	219	257	272	360
Total East Europe	3,760	5,288	4,541	4,785
Total Europe	11,529	13,720	12,368	13,433
U.S.S.R. (Europe and Asia)	5,632	7,170	6,600	6,300
Africa (cane unless otherwise indicated):				
Ethiopia and Eritrea	35	72	69	70
Egypt	340	332	425	452
Congo (Leopoldville)	31	34	35	40
Kenya 7/	29	38	39	41
Tanganyika 7/	28	34	47	50
Uganda 7/	89	113	124	134
Malagasy Republic	55	102	102	110
Mauritius	612	605	587	728
Mozambique	165	182	203	210
Reunion	219	250	225	280
Rhodesia and Nyasaland	9	40	92	136
South Africa, Republic of 8/	989	1,174	1,277	1,416
Other Africa	93	148	161	163
Total Africa	2,694	3,124	3,386	3,830
Asia (cane unless otherwise indicated):				
Iran (beet and cane)	119	160	190	200
Turkey (Europe and Asia) (beet)	408	518	466	509
China, Mainland (cane and beet)	836	700	900	1,050
Taiwan	963	948	873	900
Burma	38	60	60	65
India 9/	2,737	3,693	2,977	3,800
Indonesia	903	709	648	661
Japan (beet; incl. cane beginning 1959-60) ..	86	182	226	227
Pakistan	174	157	240	252
Philippines	1,356	1,618	1,856	2,028
Thailand	102	199	175	190
Other (cane and beet)	62	184	335	365
Total Asia	7,784	9,128	8,946	10,247
Oceania (cane):				
Australia	1,428	1,512	1,982	1,938
Fiji	210	183	273	331
Total Oceania	1,638	1,695	2,255	2,269
World total (cane)	29,339	32,384	32,067	34,419
World total (beet)	20,285	24,605	22,892	24,286
World total (cane and beet)	49,624	56,989	54,959	58,705

1/ Centrifugal sugar, as distinguished from noncentrifugal, includes cane and beet sugar produced by the centrifugal process, which is the principal kind moving in international trade. 2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began. 3/ Preliminary. 4/ Includes Antigua, St. Kitts, St. Lucia and St. Vincent. 5/ Beginning with this issue, excludes sugar from imported beets. 6/ No sugar produced prior to 1961-62. 7/ Production relates to calendar years for the first of the two years indicated in crop-year heading. 8/ Includes Swaziland. 9/ Includes Khandasari.

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NONCENTRIFUGAL SUGAR 1/: Production in specified countries, average 1955-56 through 1959-60, annual 1961-62 through 1963-64 2/

Continent and country	Average			
	1955-56 through 1959-60	1961-62	1962-63	1963-64 3/
	1,000 short tons	1,000 short tons	1,000 short tons	1,000 short tons
North America:				
El Salvador	30	22	27	28
Guatemala	70	40	40	40
Mexico	147	132	132	132
Nicaragua	25	23	23	23
Panama	4	4	4	4
Total	276	221	226	227
Asia:				
Burma	160	168	168	168
China: Mainland	545	242	242	242
Taiwan	24	24	24	24
India	3,950	4,032	4,144	4,100
Indonesia	303	345	331	331
Japan	26	23	19	19
Pakistan	1,258	728	728	672
Philippines	70	41	53	53
Thailand	50	138	143	148
Vietnam	21	35	35	35
Total	6,407	5,776	5,887	5,792
South America:				
Colombia	486	650	675	650
Ecuador	26	40	40	40
Peru	30	28	22	22
Venezuela	71	70	72	72
Total	613	788	809	784
Total of above countries	7,296	6,785	6,922	6,803

1/ Noncentrifugal sugar includes all types of sugar produced by other than centrifugal process which is largely for consumption in the relatively few areas where produced. The estimates include such kinds known as piloncillo, panela, papelon, chancaca, rapadura, jaggery, gur, muscovado, panocha, etc.

2/ Years shown are crop-harvesting years. For chronological arrangement here, all campaigns which begin not earlier than May of one year, nor later than April of the following year, are placed in the same crop-harvesting year. The entire season's production of each country is credited to the May/April year in which harvesting and sugar production began.

3/ Preliminary.

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